



1977 Fund Pension Secretary Seminar

eppa@inprs.in.gov

Agenda

- Sign in – 9:30 am to 10:00 am
- Session will begin at 10:00 am
- Welcome and Introductions
- Baseline Examination Updates
- DROP Retirement Dates
- Employer share of contributions
- Life Events / Military Leave
- Pension Secretary Best Practice Panel

Note: If you have medical questions that are specific to the baseline process, Please email questions to eppa@inprs.in.gov. Depending on the number of questions, we will make every attempt to have them reviewed at this seminar.



Baseline Examination Updates

Jeremy Haggard

Baseline Examination - Additions

Veteran Status Waiver

- IC 36-8-4.7 – Provides a waiver for a person not more than 40 years and 6 months of age who has completed 20 years of military service, who received or is eligible to receive an honorable discharge.
- The Indiana Code is summarized on Page 1 of the baseline examination.
- Certification of Service on page 20

Baseline Examination - Additions

IMPORTANT NOTICE

Transfers:

Active 1977 Fund members can separate from one 1977 Fund participating employer to become employed with another participating 1977 Fund employer. Age limitations and physical and mental requirements for admission are waived if reemployment occurs within 180 days after separation. The 180 day limitation does not apply to 1977 Fund members who are reinstated with a police or fire department following a layoff for financial reasons. Indiana law forbids the initial hiring of a person as a public safety officer if the person is over thirty-five (35) years of age at the time of hire.

IC 36-8-8-7(a) provides as follows:

Section 7. (a) Except as provided in subsections (d), (e), (f), (g), (h), (k), (l), and (m):

(1) a police officer; or

(2) a firefighter

who is less than thirty-six (36) years of age and who passes the baseline statewide physical and mental examinations required under section 19 of this chapter shall be a member of the 1977 fund and is not a member of the 1925 fund, the 1937 fund, or the 1953 fund.

In addition, IC 36-8-4.7 provides a waiver for a person not more than 40 years and 6 months of age who has completed 20 years of military service, who received or is eligible to receive an honorable discharge.

In addition, IC 36-8-3-21(b) provides that, "(a)n individual may not be employed by a unit after May 31, 1985, as a member of the unit's fire department or as a member of the unit's police department unless the individual meets the conditions for membership in the 1977 fund."

GIVING AN INDIVIDUAL A CONDITIONAL OFFER OF EMPLOYMENT PRIOR TO AGE THIRTY-SIX (36) DOES NOT CONSTITUTE COMPLIANCE WITH THESE STATUTES. THIS APPLICATION MUST BE RECEIVED AND FULLY APPROVED BY INPRS BEFORE THE APPLICANT MAY BE ACTUALLY HIRED BY THE DEPARTMENT. THE APPLICATION MUST BE RECEIVED BEFORE THE APPLICANT REACHES THE AGE OF THIRTY-SIX (36).

Baseline Examination - Additions

The appointing authority further certifies that _____ has passed the locally
Name of applicant

prescribed standards and the test results for these standards have been certified by the local board.

The appointing authority for _____ certifies
Name of city / town department

_____ is a veteran who has completed at least twenty (20) years of military
Name of applicant
service and received or is eligible to receive an honorable discharge from the below indicated branch(es) of the military. Please check appropriate branch(es):

☐ The United States Army

☐ The United States Marine Core

☐ The United States Navy

☐ The United States Coast Guard

☐ The United States Air Force

☐ The Indiana National Guard

Signature of appointing authority (no rubber stamp signatures)

Date (mm/dd/yyyy)

Printed name of appointing authority

Telephone number (with area code)

Baseline Examination – Excludable Conditions

Excludable Conditions

- The 1977 Fund is required by law to be administered in accordance with the Americans with Disabilities Act. The ADA requires medical records be kept confidential and may not be disclosed to anyone, other than in very limited circumstances.
- Important to remember how excludable conditions affect benefits.
 1. Excludable conditions are not always relevant.
 2. Excludable conditions do not affect the local board's responsibilities when a member files a disability retirement application.

Final note: There is nothing preventing the employee from voluntarily disclosing the medical (excludable) information to the employer.



Questions



Deferred Retirement Option Plan (DROP)

Denise Lekse, Supervisor
Julae Johansen, Senior Benefits Processor

www.in.gov/inprs/policeandfirefighters.htm

Deferred Retirement Option Plan (DROP)

- DROP Participation
 - Minimum 12 months but not more than 36 months
 - Any number of months between 12 and 36 months
 - Election period may begin on any day of the month
- When you enter the program, a *DROP frozen benefit* will be calculated as of the date you enter the DROP.

Deferred Retirement Option Plan (DROP)

DROP Payment at Retirement

- Amount “accrued” while in the DROP may be paid out
 - in a lump sum, or
 - three annual installment payments (no interest earned while waiting for distribution)
- **Plus** *DROP frozen benefit* as a lifetime monthly payment

Note: At retirement you may elect to have monthly benefits calculated as if you never participated in the DROP.

DROP versus Regular Retirement

This illustration shows the difference of benefits for a member enrolled in the DROP program, but opting out of DROP and receiving a regular retirement benefit.

Service start date	9/2/1985
DROP entry date	12/21/2012
Retirement date	12/21/2015
DROP frozen benefit	\$ 2,611.82
DROP lump sum	\$ 94,025.52
Monthly benefit if opted out of DROP	\$ 2,940.17

Deferred Retirement Option Plan (DROP) Participation

To enter the DROP, members must file an election form with the 1977 Fund no later than the date of their DROP entry.

Members are encouraged to provide a copy of their DROP election form to:

- Your Chief
- Your Pension Secretary
- Your Controller, City Clerk-Treasurer or Trustee

The Retirement Benefits Process

When DROP enrollment form is received by INPRS:

- Benefit calculation is prepared based on elected DROP entry date and retirement date on form.
- DROP Enrollment letter is then mailed to member.

Valid reasons to exit DROP:

- Cancelled – member may choose to opt out of participation in DROP at any time prior to retirement date.
- Disability – member may exit DROP through a disability retirement.
- Deceased – No provisions exist for a DROP survivor benefit. If a member passes away during the period of DROP enrollment, survivor benefits will be calculated as if the member had not enrolled in DROP.

The Retirement Benefits Process

3 months (90 days) prior to member Retirement date:

- Member should submit completed retirement application along with the required documentation to The 1977 Fund.
 - *** Retirement date on application must match the Retirement date provided when member entered DROP.
 - *** Member will make election for payment of DROP lump sum as a part of the retirement application process.
- Member should make plans with employer that the last day of employment must be the day before the DROP retirement date.

DROP Estimate Example

This member requested an estimate of his DROP retirement benefit with his intended DROP entry date, and several possible DROP retirement dates, to enable him to make a decision prior to DROP enrollment.

Service Start Date	DROP Entry Date	DROP Frozen Benefit	DROP Retirement Date	Number of Months in DROP	DROP Lump Sum
11/6/1989	11/6/2016	\$2,876.36	11/6/2017	12 months	\$34,516.32
11/6/1989	11/6/2016	\$2,876.36	11/6/2018	24 months	\$69,032.64
11/6/1989	11/6/2016	\$2,876.36	11/6/2019	36 months	\$103,548.96
11/6/1989	11/6/2016	\$2,876.36	2/15/2018	15 months, 10 days	\$44,008.31



Questions



Employer Rates

Shelley Horner

ER Rates

- New Employer Rate
- Effective January 1, 2017
 - All pay dates after 1/1
- 17.5%



Military Service

Shelley Horner

Military Service

- Must enter life event in ERM
- LOA - USERRA Military Leave
- ERM Member Management User Manual
 - Modifying Member Life Events
 - Begins on page 40
 - Specific instructions for Return from USERRA Military Leave on page 42

Military Service

- W&C Adjustments required upon return
- ERM Wage & Contribution User Manual
 - Adjustment Type: Missed Wage & Contributions
 - Begins on page 62
- Must report wages & ER contributions
- Member contributions only required if paid by the employer



Questions



Pension Secretary Best Practice Panel



EPPA (Employer Pension Plan Administration) Contact Information:

(888)876-2707

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